

## **IC 6-3.5-4**

### **Chapter 4. County Motor Vehicle Excise Surtax**

#### **IC 6-3.5-4-0.1**

##### **Application of certain amendments to chapter**

Sec. 0.1. The following amendments to this chapter apply as follows:

(1) The amendments made to section 7 of this chapter by P.L.33-1990 apply to vehicles registered after December 31, 1990.

(2) The addition of section 7.3 of this chapter by P.L.33-1990 applies to vehicles registered after December 31, 1990.

*As added by P.L.220-2011, SEC.146.*

#### **IC 6-3.5-4-1**

##### **Definitions**

Sec. 1. As used in this chapter:

"Adopting entity" means either the county council or the county income tax council established by IC 6-3.5-6-2 for the county, whichever adopts an ordinance to impose a surtax first.

"Branch office" means a branch office of the bureau of motor vehicles.

"County council" includes the city-county council of a county that contains a consolidated city of the first class.

"Motor vehicle" means a vehicle which is subject to the annual license excise tax imposed under IC 6-6-5.

"Net annual license excise tax" means the tax due under IC 6-6-5 after the application of the adjustments and credits provided by that chapter.

"Surtax" means the annual license excise surtax imposed by an adopting entity under this chapter.

*As added by Acts 1980, P.L.10, SEC.4. Amended by P.L.205-2013, SEC.85.*

#### **IC 6-3.5-4-1.1**

##### **County income tax council**

Sec. 1.1. For purposes of acting as the adopting entity under this chapter, a county income tax council is comprised of the same members as the county income tax council that is established by IC 6-3.5-6-2 for the county (regardless of the income tax that may be in effect in the county). The county income tax council shall use the same procedures that apply under IC 6-3.5-6 when acting as an adopting entity under this chapter.

*As added by P.L.205-2013, SEC.86.*

#### **IC 6-3.5-4-2 Version a**

##### **Imposition and rate of surtax; application of tax; wheel tax; duration**

*Note: This version of section effective until 1-1-2015. See also following version of this section, effective 1-1-2015.*

Sec. 2. (a) An adopting entity of any county may, subject to the limitation imposed by subsection (c), adopt an ordinance to impose an annual license excise surtax at the same rate or amount on each motor vehicle listed in subsection (b) that is registered in the county. The adopting entity may impose the surtax either:

- (1) at a rate of not less than two percent (2%) nor more than ten percent (10%); or
- (2) at a specific amount of at least seven dollars and fifty cents (\$7.50) and not more than twenty-five dollars (\$25).

However, the surtax on a vehicle may not be less than seven dollars and fifty cents (\$7.50). The adopting entity shall state the surtax rate or amount in the ordinance which imposes the tax.

(b) The license excise surtax applies to the following vehicles:

- (1) Passenger vehicles.
- (2) Motorcycles.
- (3) Trucks with a declared gross weight that does not exceed eleven thousand (11,000) pounds.

(c) The adopting entity may not adopt an ordinance to impose the surtax unless it concurrently adopts an ordinance under IC 6-3.5-5 to impose the wheel tax.

(d) Notwithstanding any other provision of this chapter or IC 6-3.5-5, ordinances adopted by a county council before June 1, 2013, to impose or change the annual license excise surtax and the annual wheel tax in the county remain in effect until the ordinances are amended or repealed under this chapter or IC 6-3.5-5.

*As added by Acts 1980, P.L.10, SEC.4. Amended by P.L.85-1983, SEC.1; P.L.255-1996, SEC.1; P.L.205-2013, SEC.87.*

#### **IC 6-3.5-4-2 Version b**

##### **Imposition and rate of surtax; application of tax; wheel tax; duration**

*Note: This version of section effective 1-1-2015. See also preceding version of this section, effective until 1-1-2015.*

Sec. 2. (a) An adopting entity of any county may, subject to the limitation imposed by subsection (c), adopt an ordinance to impose an annual license excise surtax at the same rate or amount on each motor vehicle listed in subsection (b) that is registered in the county. The adopting entity may impose the surtax either:

- (1) at a rate of not less than two percent (2%) nor more than ten percent (10%); or
- (2) at a specific amount of at least seven dollars and fifty cents (\$7.50) and not more than twenty-five dollars (\$25).

However, the surtax on a vehicle may not be less than seven dollars and fifty cents (\$7.50). The adopting entity shall state the surtax rate or amount in the ordinance which imposes the tax.

(b) The license excise surtax applies to the following vehicles:

- (1) Passenger vehicles.
- (2) Motorcycles.
- (3) Trucks with a declared gross weight that does not exceed eleven thousand (11,000) pounds.

(4) Motor driven cycles.

(c) The adopting entity may not adopt an ordinance to impose the surtax unless it concurrently adopts an ordinance under IC 6-3.5-5 to impose the wheel tax.

(d) Notwithstanding any other provision of this chapter or IC 6-3.5-5, ordinances adopted by a county council before June 1, 2013, to impose or change the annual license excise surtax and the annual wheel tax in the county remain in effect until the ordinances are amended or repealed under this chapter or IC 6-3.5-5.

*As added by Acts 1980, P.L.10, SEC.4. Amended by P.L.85-1983, SEC.1; P.L.255-1996, SEC.1; P.L.205-2013, SEC.87; P.L.221-2014, SEC.4.*

### **IC 6-3.5-4-3**

#### **Motor vehicles subject to tax**

Sec. 3. If an adopting entity adopts an ordinance imposing the surtax after December 31 but before July 1 of the following year, a motor vehicle is subject to the tax if it is registered in the county after December 31 of the year in which the ordinance is adopted. If an adopting entity adopts an ordinance imposing the surtax after June 30 but before the following January 1, a motor vehicle is subject to the tax if it is registered in the county after December 31 of the year following the year in which the ordinance is adopted. However, in the first year the surtax is effective, the surtax does not apply to the registration of a motor vehicle for the registration year that commenced in the calendar year preceding the year the surtax is first effective.

*As added by Acts 1980, P.L.10, SEC.4. Amended by P.L.85-1983, SEC.2; P.L.43-1994, SEC.1; P.L.205-2013, SEC.88.*

### **IC 6-3.5-4-4**

#### **Rescission of surtax and wheel tax**

Sec. 4. (a) After January 1 but before July 1 of any year, the adopting entity may, subject to the limitations imposed by subsection (b), adopt an ordinance to rescind the surtax. If the adopting entity adopts such an ordinance, the surtax does not apply to a motor vehicle registered after December 31 of the year the ordinance is adopted.

(b) The adopting entity may not adopt an ordinance to rescind the surtax unless it concurrently adopts an ordinance under IC 6-3.5-5 to rescind the wheel tax. In addition, the adopting entity may not adopt an ordinance to rescind the surtax if:

(1) any portion of a loan obtained by the county under IC 8-14-8 is unpaid; or

(2) any bonds issued by the county under IC 8-14-9 are outstanding.

*As added by Acts 1980, P.L.10, SEC.4. Amended by Acts 1981, P.L.88, SEC.1; P.L.205-2013, SEC.89.*

### **IC 6-3.5-4-5**

**Increase or decrease of surtax; rate**

Sec. 5. (a) The adopting entity may, subject to the limitations imposed by subsection (b), adopt an ordinance to increase or decrease the surtax rate or amount. The new surtax rate or amount must be within the range of rates or amounts prescribed by section 2 of this chapter. A new rate or amount that is established by an ordinance that is adopted after December 31 but before July 1 of the following year applies to motor vehicles registered after December 31 of the year in which the ordinance to change the rate or amount is adopted. A new rate or amount that is established by an ordinance that is adopted after June 30 but before January 1 of the following year applies to motor vehicles registered after December 31 of the year following the year in which the ordinance is adopted.

(b) The adopting entity may not adopt an ordinance to decrease the surtax rate or amount under this section if:

- (1) any portion of a loan obtained by the county under IC 8-14-8 is unpaid; or
- (2) any bonds issued by the county under IC 8-14-9 are outstanding.

*As added by Acts 1980, P.L.10, SEC.4. Amended by Acts 1981, P.L.88, SEC.2; P.L.85-1983, SEC.3; P.L.255-1996, SEC.2; P.L.205-2013, SEC.90.*

**IC 6-3.5-4-6****Adopted ordinance; transmittal of copy to commissioner of bureau of motor vehicles**

Sec. 6. If an adopting entity adopts an ordinance to impose, rescind, or change the rate or amount of the surtax, the adopting entity shall send a copy of the ordinance to the commissioner of the bureau of motor vehicles.

*As added by Acts 1980, P.L.10, SEC.4. Amended by P.L.255-1996, SEC.3; P.L.205-2013, SEC.91.*

**IC 6-3.5-4-7****Registration of motor vehicle; surtax; amount; collection**

Sec. 7. A person may not register a motor vehicle in a county that has adopted the surtax unless the person pays the surtax due, if any, to the bureau of motor vehicles. The amount of the surtax due equals the greater of seven dollars and fifty cents (\$7.50), the amount established under section 2 of this chapter, or the product of:

- (1) the amount determined under section 7.3 of this chapter for the vehicle, as adjusted under section 7.4 of this chapter; multiplied by
- (2) the surtax rate in effect at the time of registration.

The bureau of motor vehicles shall collect the surtax due, if any, at the time a motor vehicle is registered. However, the bureau may utilize its branch offices to collect the surtax.

*As added by Acts 1980, P.L.10, SEC.4. Amended by P.L.85-1983, SEC.4; P.L.33-1990, SEC.11; P.L.255-1996, SEC.4; P.L.11-1999, SEC.1.*

**IC 6-3.5-4-7.3****Surtax; amount; schedule**

Sec. 7.3. (a) The amount of surtax imposed by rate under this chapter shall be based upon the classification and age of a vehicle as determined by the bureau of motor vehicles under IC 6-6-5, in accordance with the schedule set out in subsection (b).

(b) The schedule to be used in determining the amount to be used in section 7 of this chapter is as follows:

Year of Manufacture	I	II	III	IV	V
1st	\$12	\$36	\$60	\$96	\$132
2nd	12	30	51	84	114
3rd	12	27	42	72	96
4th	12	24	33	60	78
5th	12	18	24	48	66
6th	12	12	18	36	54
7th	12	12	12	24	42
8th	12	12	12	18	24
9th	12	12	12	12	12
10th	12	12	12	12	12
and thereafter					
Year of Manufacture	VI	VII	VIII	IX	X
1st	\$168	\$206	\$246	\$300	\$344
2nd	147	184	220	268	298
3rd	126	154	186	230	260
4th	104	127	156	196	224
5th	82	101	128	164	191
6th	63	74	98	130	157
7th	49	60	75	104	129
8th	30	40	54	80	106
9th	18	21	34	40	50
10th	12	12	12	12	12
and thereafter					
Year of Manufacture	XI	XII	XIII	XIV	XV
1st	\$413	\$500	\$600	\$700	\$812
2nd	358	434	520	607	705
3rd	312	378	450	529	614
4th	269	326	367	456	513
5th	229	278	300	389	420
6th	188	228	242	319	338
7th	155	188	192	263	268
8th	127	129	129	181	181
9th	62	62	62	87	87
10th	21	26	30	36	42
and thereafter					
Year of Manufacture	XVI	XVII			
1st	\$938	\$1,063			

2nd	814	922
3rd	709	795
4th	611	693
5th	521	591
6th	428	483
7th	353	383
8th	258	258
9th	125	125
10th	49	55

and thereafter

*As added by P.L.33-1990, SEC.12. Amended by P.L.255-1996, SEC.5.*

#### **IC 6-3.5-4-7.4**

##### **Surtax adjustment**

Sec. 7.4. (a) If a vehicle has been acquired or brought into Indiana, or for any other reason becomes subject to registration after the regular annual registration date in the year on or before which the owner of the vehicle is required under the motor vehicle registration laws of Indiana to register vehicles, the amount of surtax computed under section 7.3 of this chapter shall be reduced in the same manner as the excise tax is reduced under IC 6-6-5-7.2.

(b) The owner of a vehicle who sells the vehicle in a year in which the owner has paid the surtax imposed by this chapter is entitled to receive a credit that is calculated in the same manner and subject to the same requirements as the credit for the excise tax under IC 6-6-5-7.2.

(c) If the name of the owner of a vehicle is legally changed and the change has caused a change in the owner's annual registration date, the surtax liability of the owner shall be adjusted in the same manner as excise taxes are adjusted under IC 6-6-5-7.2.

*As added by P.L.11-1999, SEC.2. Amended by P.L.3-2008, SEC.61.*

#### **IC 6-3.5-4-8**

##### **Collections by branch office; disposition**

Sec. 8. The surtax collected by a branch office shall be deposited daily by the branch manager in a separate account in a depository designated by the state board of finance.

*As added by Acts 1980, P.L.10, SEC.4.*

#### **IC 6-3.5-4-9**

##### **Collections by branch office; remittance to county treasurer; report**

Sec. 9. On or before the tenth day of the month following the month in which surtax is collected at a branch office, the branch office manager shall remit the surtax to the county treasurer of the county that imposed the surtax. Concurrently with the remittance, the branch office manager shall file a surtax collections report with the county treasurer and the county auditor. The branch manager shall prepare the report on forms prescribed by the state board of accounts.

*As added by Acts 1980, P.L.10, SEC.4.*

**IC 6-3.5-4-10**

**Collections by branch office; report to bureau of motor vehicles**

Sec. 10. Each branch office manager shall report surtax collections, if any, to the bureau of motor vehicles at the same time that registration fees are reported.

*As added by Acts 1980, P.L.10, SEC.4.*

**IC 6-3.5-4-11**

**Collections by bureau of motor vehicles; remittance to county treasurer; report to county auditor**

Sec. 11. If surtax is collected directly by the bureau of motor vehicles, instead of at a branch office, the commissioner of the bureau shall:

(1) remit the surtax to, and file a surtax collections report with, the appropriate county treasurer; and

(2) file a surtax collections report with the county auditor;

in the same manner and at the same time that a branch office manager is required to remit and report under section 9 of this chapter.

*As added by Acts 1980, P.L.10, SEC.4.*

**IC 6-3.5-4-12**

**Appropriation of money derived from surtax**

Sec. 12. In the case of a county that contains a consolidated city, the city-county council may appropriate money derived from the surtax to the department of transportation established by IC 36-3-5-4 for use by the department under law. The city-county council may not appropriate money derived from the surtax for any other purpose.

*As added by Acts 1980, P.L.10, SEC.4. Amended by Acts 1982, P.L.33, SEC.7.*

**IC 6-3.5-4-13**

**Surtax fund; allocation; distribution; use**

Sec. 13. (a) In the case of a county that does not contain a consolidated city of the first class, the county treasurer shall deposit the surtax revenues in a fund to be known as the "\_\_\_\_\_ County Surtax Fund".

(b) Before the twentieth day of each month, the county auditor shall allocate the money deposited in the county surtax fund during that month among the county and the cities and the towns in the county. The county auditor shall allocate the money to counties, cities, and towns under IC 8-14-2-4(c)(1) through IC 8-14-2-4(c)(3).

(c) Before the twenty-fifth day of each month, the county treasurer shall distribute to the county and the cities and towns in the county the money deposited in the county surtax fund during that month. The county treasurer shall base the distribution on allocations made by the county auditor for that month under subsection (b).

(d) A county, city, or town may only use the surtax revenues it receives under this section to construct, reconstruct, repair, or

maintain streets and roads under its jurisdiction.

*As added by Acts 1980, P.L.10, SEC.4. Amended by P.L.85-1983, SEC.5.*

#### **IC 6-3.5-4-14**

##### **Estimate of revenues; distribution**

Sec. 14. (a) On or before August 1 of each year, the auditor of a county that contains a consolidated city of the first class and that has adopted the surtax shall provide the county council with an estimate of the surtax revenues to be received by the county during the next calendar year. The county shall show the estimated surtax revenues in its budget estimate for the calendar year.

(b) On or before August 1 of each year, the auditor of a county that does not contain a consolidated city of the first class and that has adopted the surtax shall provide the county and each city and town in the county with an estimate of the surtax revenues to be distributed to that unit during the next calendar year. The county, city, or town shall show the estimated surtax revenues in its budget estimate for the calendar year.

*As added by Acts 1980, P.L.10, SEC.4.*

#### **IC 6-3.5-4-15**

##### **Service charge for surtax**

Sec. 15. Each license branch shall collect the service charge prescribed under IC 9-29 for the surtax collected with respect to each vehicle registered by that branch.

*As added by Acts 1980, P.L.10, SEC.4. Amended by P.L.42-1986, SEC.3; P.L.2-1991, SEC.37.*

#### **IC 6-3.5-4-16**

##### **Violations; offense**

Sec. 16. (a) The owner of a motor vehicle who knowingly registers the vehicle without paying surtax imposed under this chapter with respect to that registration commits a Class B misdemeanor.

(b) An employee of the bureau of motor vehicles, an employee of a branch office, or the manager of a branch office who recklessly issues a registration on any motor vehicle without collecting surtax imposed under this chapter with respect to that registration commits a Class B misdemeanor.

*As added by Acts 1980, P.L.10, SEC.4.*